



PRESS RELEASE
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For Immediate Release

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**ORLANDO HEDGE FUND TRADER SENTENCED TO
50 MONTHS' IMPRISONMENT FOR MONEY LAUNDERING**

Orlando, Florida - On September 22, 2006, U.S. District Judge John Antoon, II sentenced CHARLES NORMAN WATSON, 39, of Orlando, Florida to 50 months' imprisonment for money laundering and pay \$6,624,000 in restitution to the victims.

On April 21, 2006, WATSON pled guilty to one count of money laundering. According to court documents, WATSON, who was a licensed stock broker, started a hedge fund called "Global Capital Fund, Ltd." Between November 2002 and November 2004, WATSON and his partner were successful in raising over \$4.275 million from seventeen (17) sets of investors consisting of twenty-two (22) individuals and eight (8) legal entities. Shortly after Global Capital Fund, Ltd. began operation, however, it experienced financial problems. WATSON lost money making trades and rather than disclose those losses, investors were provided with quarterly financial statements that represented that Global Capital Fund was making above-market rates of return.

Rather than making money through trading, WATSON spent for his benefit approximately \$1.4 million of the \$4.275 million that was raised. WATSON's purchases

included a new home located at 14148 Popcorn Tree Court, Orlando, Florida, new automobiles and diamond earrings for his spouse.

In 2004, WATSON created a new hedge fund called Summit Capital and he was able to raise approximately \$2,538,500 from nineteen (19) sets of investors consisting of eighteen (18) individuals and five (5) legal entities. Investments came into Summit Capital Trading starting in October 2004. WATSON was no better of a trader with Summit Capital Trading than he was with Global Capital Fund, Ltd.

In total, the amount of actual loss caused by WATSON as a result of his scheme to defraud was approximately \$6,624,000 (\$4,235,000 in Global Capital Fund, Ltd. losses and \$2,389,000 in Summit Capital Trading losses). Of that amount, approximately \$2,100,158.30 in assets have been recovered. On September 22, 2006, the Court entered Restitution Orders that will permit the distribution of over \$1.7 million in recovered assets to WATSON's victims.

The case was investigated by the Federal Bureau of Investigation and Internal Revenue Service. The case was prosecuted by Assistant United States Attorney Roger B. Handberg.